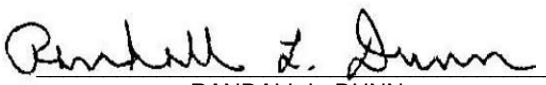


Below is an Order of the Court.


RANDALL L. DUNN
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re) Case No. 16-30406-rld11
)
SeaPort Airlines, Inc.,) ORDER AUTHORIZING SALE FREE AND
) CLEAR OF LIENS (Gordon Creek Cabin)
Debtor-in-Possession.)

The Debtor having duly served, on May 5, 2016, the "Notice of Intent to Sell Real or Personal Property, Compensate Real Estate Broker, and/or Pay Any Secured Creditor's Fees and Costs; Motion for Authority to Sell Property Free and Clear of Liens; and Notice of Hearing" (Docket #265) (the "Notice" -- a copy of which is attached to this Order marked **Exhibit A**), and the Court having conducted a hearing on June 7, 2016 and considered the objections to the Notice filed by Wings Airlines Services, Inc. ("Wings") and by Multnomah County (the "Objecting Parties"), and the Objecting Parties having stated consent to the sale of the real property which was the subject of the Notice (the "Gordon Creek Cabin") provided that the liens of the Objecting Parties would continue to attach to the net proceeds of the sale received by the Debtor; now therefore, it is

ORDERED as follows:

1. The Debtor is authorized to sell to Aaron Joy (the "Buyer") the Gordon Creek Cabin (the legal description of which is contained within **Exhibit A**), free and clear of liens subject to the terms and conditions stated in the Notice and further subject to the terms and conditions stated in this Order;

2. The Debtor is authorized to pay at closing the ordinary and customary closing costs associated with the sale of the Gordon Creek Cabin, including payment of the real property taxes (of approximately \$9,817) assessed against the Gordon Creek Cabin only (real property taxes on other real estate or other types of taxes which the Debtor might owe to Multnomah County shall not be paid at closing);

3. Notwithstanding paragraph 1 of this Order, the Buyer's purchase of the Gordon Creek Cabin shall be subject to the existing lien of Chase Bank (as successor to Washington Mutual Bank under trust deed bearing recording #2005-058493 as modified 10/04/06 by Recording #2006-184804) having an approximate current balance of \$268,583.98 (the actual amount of which shall be a deduction at closing from Buyer's purchase price of \$390,000). After closing, Debtor shall have no responsibility to pay the obligations owing to Chase Bank on its lien estimated at approximately \$268,583.98 as of closing;

4. The net proceeds from the sale of the Gordon Creek Cabin after payment of the amounts authorized in paragraph 2 above shall be disbursed to and held by the Debtor in a separate DIP account which shall be used exclusively for holding such proceeds and no other funds (the "Gordon Creek Cabin DIP Account"). The proceeds in the Gordon Creek Cabin DIP Account shall be impressed with the liens of the Objecting Parties pending the entry of a further order of this Court approving the

distribution of such proceeds to the parties entitled thereto (the Distribution Order").

Based on the initial preliminary closing statement issued by Chicago Title Company of Oregon, Debtor represents that the approximate amount of closing costs paid by Debtor is \$1,860.00 and that the approximate amount of net proceeds to be distributed to the Debtor is \$102,841; and

5. If the Objecting Parties and the Debtor cannot agree on the form of the Distribution Order within 20 days following the entry of this Order, the Debtor or either of the Objecting Parties may file a motion in this Court for distribution of the net proceeds of the sale of the Gordon Creek Cabin.

###

I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

PRESENTED BY:

/s/Robert J Vanden Bos
Robert J Vanden Bos OSB #78100
Douglas R. Ricks, OSB #044026
Christopher N. Coyle, OSB #07350
VANDEN BOS & CHAPMAN, LLP
319 S.W. Washington, Suite 520
Portland, Oregon 97204
Telephone: (503) 241-4869
Fax: (503) 241-3731

Of Attorneys for Debtor-in-Possession

First Class Mail:

SeaPort Airlines, Inc.
Attn: Timothy Sieber
816 SW First Avenue
Portland, Oregon 97204

Tulare County Tax Collector
Attn Jorge Garcia
Deputy Tax Collector
221 S Mooney Blvd Rm 104-E
Visalia, CA 93291-4593

Michael J. Edelman
VEDDER PRICE
1633 Broadway, 47th Floor
New York, New York 10019

Franklin C. Adams
POB 1028
Riverside, CA 92502-1028

Mark J. Wolfson
100 N Tampa St #2700
Tampa, FL 33602

Dan McAllister
Treasurer-Tax Collector
Attention: Bankruptcy Desk
1600 Pacific Highway, Room 162
San Diego, California 92101

Electronic Mail:

The foregoing was served on all CM/ECF participants through the Court's Case Management/ Electronic Case File system.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re

-) Case No. _____
)
) NOTICE OF INTENT TO Sell Real or
) Personal Property, Compensate Real Estate
) Broker, and/or Pay any Secured Creditor's Fees
) and Costs; Motion for Authority to Sell Property
) Free and Clear of Liens; and Notice of Hearing
) **[Note: Do not use to sell personally identifiable**
Debtor(s)) **information about individuals!]**

NOTICE IS GIVEN THAT _____, the
_____ (i.e., debtor, trustee, etc.), intends to sell the property described below and moves
for authority to sell said property free and clear of liens pursuant to 11 USC §363(f). The movant's name, address, and
telephone # are: _____.

If you wish to object to any aspect of the sale or fees disclosed in ¶7 or ¶15 you must: (1) attend the hearing set in ¶16 below
and, (2) within 23 days of the later of either (a) the date next to the signature below; or (b) the service date in ¶17 below, file
with the Clerk of Court (i.e., if the 5-digit portion of the Case No. begins with "3" or "4", at 1001 SW 5th Ave. #700, Portland
OR 97204; or if it begins with "6" or "7", at 405 E 8th Ave #2600, Eugene OR 97401): (a) a written response stating the specific
facts upon which the objection is based, and (b) proof that a copy of the response was served on the movant.

This document shall constitute the notice required by LBR 2002-1. (COMPLETE ALL SECTIONS.)

1. The specific subsections of 11 USC §363(f) movant relies upon for authority to sell the property free and clear of liens are:
2. Buyer's Name & Relation to Debtor:
3. General description of the property (NOTE: If real property, state street address here. Also attach legal description as
an Exhibit to the original filed with the court):

4. A copy of the full property description or inventory may be examined or obtained at:

5. The property may be previewed at (include time and place):

6. Other parties to the transaction and their relationship to the debtor are:

7. Gross sales price: \$_____. All liens on the property total: \$_____, of which Movant believes
a total of \$_____ need not be paid as secured claims (because the lien is invalid, avoidable, etc., the lienholder
consents to less than full payment, or part or all of the underlying debt is not allowable). Secured creditor(s) also seek(s)
reimbursement of \$_____ for fees and costs. Total sales costs will be: \$_____. All tax
consequences have been considered and it presently appears the sale will result in net proceeds to the estate after payment
of valid liens, fees, costs and taxes of approximately: \$_____.

8. The sale is is not (**mark one**) of substantially all of the debtor's assets. Terms and conditions of sale:

9. Competing bids must be submitted to the movant no later than (date) _____, and must exceed the above offer by
at least _____ (and be on the same or more favorable terms to the estate).

10. Summary of all available information regarding valuation, including any independent appraisals:

11. If ¶7 indicates little or no equity for the estate, the reason for the sale is:

and expenses and taxes resulting from the sale will be paid as follows:

12. (Ch. 11 cases only) The reason for proposing the sale in advance of approval of a plan of reorganization is:

13. The following information relates to lien holders (who are listed in PRIORITY order):

<u>Name</u>	<u>Service Address (See FRBP 7004)</u>	<u>Approximate Lien Amount</u>	<u>Indicate Treatment at Closing (i.e., Fully Pd., Partially Pd., or Not Pd.)</u>
-------------	--	------------------------------------	---

14. Any liens not fully paid at closing shall attach to the sale proceeds in the same order of priority they attach to the property. Any proceeds remaining after paying liens, expenses, taxes, commissions, fees, costs or other charges as provided in this motion, shall be held in trust until the court orders payment.

15. [If real property] The court appointed real estate broker, _____, will be paid _____.

16. A HEARING ON THIS MOTION AND ANY OBJECTIONS TO THE SALE AND/OR FEES WILL BE HELD

ON _____ AT _____ IN _____ and testimony will be received if offered and admissible.

17. [Unless movant is a Ch. 7 trustee] I certify that on _____ a copy of this document was served, pursuant to FRBP 7004, on the debtor(s), trustee, if any, U.S. Trustee, each named lien holder at the address listed above, Creditors' Committee Chairperson, if any, and their respective attorneys; and that a copy was also served that date, pursuant to FRBP 2002(a), on all creditors and parties requesting special notice as listed in the Court's records that were obtained on _____, a copy of which is attached to the original document filed with the Bankruptcy Court.

18. FOR FURTHER INFORMATION CONTACT: _____

DATE: _____

Signature & Relation to Movant

(If debtor is movant) Debtor's Address & Taxpayer ID#(s) (last 4 digits)

EXHIBIT A

Real Property Description

A tract of land situated in the West one-half of Section 24, Township 1 South, Range 4 East, Willamette Meridian, in the County of Multnomah and State of Oregon, being described as follows:

Commencing at a brass cap monument marking the center of said Section 24; thence South 00°14'40" West along the East line of the Southwest one-quarter of said Section 24, a distance of 12.91 feet to an iron rod in the Southerly right-of-way line of Gordon Creek Road, County Road No. 2075; thence tracing said Southerly right-of-way line a distance of 133.80 feet along the arc of a 848.57 foot radius curve to the right through a central angle of 09°02'04" (chord bears North 64°12'01" West, 133.66 feet) to an iron pipe marking a point of tangency; thence continuing along said Southerly right-of-way line, North 59°41'00" West a distance of 382.06 feet to an iron rod marking the true point of beginning of the tract herein to be described; thence leaving said Southerly right-of-way line and running South 12°53'00" West a distance of 78.51 feet to a point of curvature; thence 102.94 feet along the arc of a 100.0 foot radius curve to the right through a central angle of 53°37'00" (chord bears South 39°41'30" West, 99.22 feet) to a point of tangency; thence South 66°30'00" West a distance of 134.36 feet to a point of curvature; thence 46.65 feet along the arc of a 110.00 foot radius curve to the right through a central angle of 24°18'00" (chord bears South 78°39'00" West, 46.30 feet) to a point of tangency; thence North 89°12'00" West a distance of 100.00 feet; thence South 59°24'20" West a distance of 71.36 feet; thence North 80°20'00" West a distance of 170.00 feet; thence South 73°00'00" West a distance of 150.00 feet; thence South 22°45'00" East a distance of 150.00 feet; thence South 20°00'00" West a distance of 100.00 feet; thence North 61°15'00" West a distance of 175.00 feet; thence North 43°15'00" West a distance of 325.00 feet; thence North 63°41'13" East a distance of 50.00 feet; thence South 89°15'00" East a distance of 255.00 feet; thence North 67°20'00" East a distance of 150.00 feet; thence North 90°00'00" East a distance of 43.00 feet; thence South 69°00'00" East a distance of 261.18 feet; thence South 89°12'00" East a distance of 100.00 feet to a point of curvature; thence 38.17 feet along the arc of a 90.00 foot radius curve to the left through a central angle of 24°18'00" (chord bears North 78°39'00" East, 37.88 feet) to a point of tangency; thence North 66°30'00" East a distance of 134.36 feet to a point of curvature; thence 84.22 feet along the arc of a 90.00 foot radius curve to the left through a central angle of 53°37'00" (chord bears North 39°41'30" East, 81.18 feet); thence North 51°00'00" West a distance of 93.00 feet; thence North 56°14'20" East a distance of 74.33 feet to a point in the Southerly right-of-way line of said Gordon Creek Road; thence South 59°41'00" East along said Southerly right-of-way line a distance of 55.00 feet to the true point of beginning.

030230/00042/2304405v2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re) Case No. 16-30406-rld11
)
SeaPort Airlines, Inc.,) NOTICE OF HEARING
)
Debtor-in-Possession.)

YOU ARE NOTIFIED THAT A HEARING to consider and act on the following:

NOTICE OF INTENT TO Sell Real or Personal Property, Compensate Real Estate Broker, and/or Pay any Secured Creditor's Fees and Costs; Motion for Authority to Sell Property Free and Liens; and Notice of Hearing

WILL BE HELD ON **Tuesday, June 7, 2016 AT 1:30 p.m.** in hearing room number **#3**, U.S. Bankruptcy Court, 1001 SW Fifth Avenue, Suite 700, Portland, Oregon.

Testimony may be offered and received if admissible.

Out of town parties wishing to appear at the hearing by telephone may call the Toll Free Call In No. (888) 684-8852; Access Code: 5870400. See attached Court's LBF 888 (Telephone Hearing Requirements on reverse). Each participant must also comply with each hearing requirement listed on LBF 888. [Note: If you have problems connecting, call the court at (503) 326-1500.]

YOU ARE FURTHER NOTIFIED that if you have any questions, you should see your attorney immediately. If you do not have an attorney and need help in finding one, you may call the Oregon State Bar's Lawyer Referral Service at (503) 684-3763 or toll free in Oregon at (800) 452-7636.

On May 5, 2016, a copy of this notice was served on the Debtor, Chairperson of the Official Committee of Unsecured Creditors (if any), attorney(s) for the Chairperson of the Official Committee of Unsecured Creditors (if any) [or, if none serving, on all creditors listed on the list filed pursuant to FRBP 1007(d)], U.S. Trustee, Governmental Creditors and parties requesting special notice as follows:

SEE ATTACHED LIST. (The original Service List is attached to the original copy filed with the Court only. Creditors may request a copy of the Service List by contacting the undersigned.)

Respectfully submitted;

VANDEN BOS & CHAPMAN, LLP

/s/Robert J Vanden Bos

Robert J Vanden Bos, OSB #78100
Douglas R. Ricks, OSB #044026
Christopher N. Coyle, OSB #07350
Of Attorneys for Debtor-in-Possession

TELEPHONE HEARING REQUIREMENTS

1. You must call in and connect to the telephone hearing line or personally appear in the judge's courtroom no later than your scheduled hearing time. The court will not call you.
2. You may be asked to call again from another phone if your connection is weak or creates static or disruptive noise.
3. Please mute your phone when you are not speaking. If you do not have a mute function on your phone, press *6 to mute and *6 again to unmute if you need to speak. Do not put the court on hold if it will result in music or other noise. If available, set the phone to "Do Not Disturb" so it will not ring during the hearing.
4. When it is time for you to speak, take your phone off the "speaker" option or headset to minimize background noise and improve sound quality. Position the telephone to minimize paper rustling. Do not use a keyboard or talk with others in the room. Be aware that telephone hearings may be amplified throughout the courtroom.
5. Do not announce your presence until the court calls your case. Simply stay on the line, even if there is only silence, until the judge starts the hearings, and then continue to listen quietly until your case is called.
6. Whenever speaking, first identify yourself. When the court calls your case, it's helpful if the moving party speaks first to avoid multiple parties speaking at the same time.
7. Be on time. The judge may handle late calls the same as a late appearance in the courtroom.

Clerk, U.S. Bankruptcy Court

In re SeaPort Airlines, Inc.;
Chapter 11 Bankruptcy Case No. 16-30406-rld11
Service List

First Class Mail:

SeaPort Airlines, Inc.
Attn: Timothy Sieber
7505 NE Airport Way
Portland, OR 97218

Tom's Aircraft Maintenance
2641 E. Spring Street
Long Beach, CA 90806

Atlantic Burbank
PO Box 79648
City of Industry, CA 91716

City of Memphis, Treasurer
Box 185
Memphis, TN 38101

R2 Tech Systems
25 West Middle Lane
Rockville, MD 20850

**COMMITTEE OF
UNSECURED CREDITORS:**

JA Flight Services, LLC
c/o Bruce A. Jacobs, President
Creditors Committee Chairperson
43W700 US Route 30
Sugar Grove, IL 60554

Sabre Group, Inc.
7285 Collection Center Dr.
Chicago, IL 60693

Duncan Aviation
PO Box 956153 S
St. Louis, MO 63195

Olson Brooksby PC
200 Pacific Building
520 SW Yamhill Street
Portland, OR 97204

Earthlink Business
1058 PO Box 2252
Birmingham, AL 35246

Olson Brooksby PC
c/o Scott Brooksby, Esq.
200 Pacific Building
520 SW Yamhill Street
Portland, OR 97204

Lane Powell
1420 Fifth Avenue Suite 4200
Seattle, WA 98111

Secured Creditors:

Ally Financial
PO Box 130424
Roseville, MN 55113

Memphis Propeller Service, Inc.
c/o Mark Matthews, President
11098 Willow Ridge Drive
Olive Branch, MS 38654

Aviall Services, Inc.
P.O. BOX 842267
Dallas, TX 75284

Axis Capital
308 N Locust St
Grand Island, NE 68801

20 Largest Unsecured:

Kenyon International
Emergency Svcs Inc.
5180 Grand Point Drive
Houston, TX 77090

Travelport, LP
BV c/o Bank of America Lockbox
Attn: William Evans. Sr. Comm
Mgr. Air Commerce
PO Box 402395
Atlanta, GA 30384

Donna Blake
PO Box 696
Vancouver, WA 98666

Executive Express Aviation, LLC
43W700 US Highway 30
Sugar Grove, IL 60554

Hill Fuel LLC
Box 808

Chase
Attn: Home Equity
Servicing
Mail Code OH4-7304
3415 Vision Dr.
Columbus, OH 43219

Petro Marine Services/
Alaska Oil Sales
Box 396
Skagway, AK 99840

Hoonah, AK 99829

City of Memphis
PO Box 185
Memphis, TN 38101

American Express
PO Box 53852
Phoenix, AZ 85072

Memphis Propeller Service, Inc.
11098 Willow Ridge Drive
Olive Branch, MS 38654

Coos County Tax Collector
250 N. Baxter
Coquille, OR 97423

154 West Aviation Enterprises, Inc.
c/o Kirk A. Hoopingarner Attorney
Partner Quarles & Brady LLP
300 N LaSalle St, # 4000
Chicago, IL 60654

Aero Services
1890 Renshaw Way
Juneau, AK 99801

Dallas County
c/o Elizabeth Weller
LINEBARGER GOGGAN
BLAIR & SAMPSON, LLP
2777 N. Stemmons Fwy, Ste. 1000
Dallas, TX 75207

Prime Turbines
PO Box 956
Hyannis, MA 02601

Accounting Principals
10151 Deerwood Park Blvd
Bldg 200 Suite 400
Jacksonville, FL 32256

In re SeaPort Airlines, Inc.;
Chapter 11 Bankruptcy Case No. 16-30406-rld11
Service List

Fidelity Title Agency of
Alaska, LLC
re: Notice of Default -
2016-000397-0
3150 C St #220
Anchorage, AK 99503

Internal Revenue Service
P.O. Box 7346
Philadelphia PA 19101-7346

Robert N. Jacobsen
Darlene F. Jacobsen
Jacobsen Living Trust
c/o E. Budd Simpson, Esq.
One Sealaska Plaza, Ste 300
Juneau, Ak 99801

Robert N. Jacobsen
Darlene F. Jacobsen
Jacobsen Living Trust
845 Goldbelt Ave
Juneau, AK 99801

Multnomah County Assessment
Recording & Taxation
PO Box 2716
Portland, OR 97208

Peter A. Scully, Esq.
Atkinson Conway & Gagnon
420 L Street, #500
Anchorage, AK 99501

Shelby County Trustee
PO Box 2751
Memphis, TN 38101

Southland Tunneling, LLC
608 Henrietta Creek Rd.
Roanoke, TX 76262

Sunstone Business
Finance, LLC
4800 Meadows Rd., Ste. 300
Lake Oswego, OR 97035

Umatilla County Assessment
& Taxation
PO Box 68
Pendleton, OR 97801

US Customs & Border Protection
Rev. Div. Debt Mngmnt Branch
Attn: User Fee Team
6650 Telecom Drive Ste100
Indianapolis, IN 46278-0000

USA - Department of
Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

USA - FAA - Penalty #4
AMK-322-NM
PO Box 25770
Oklahoma City, OK 73125

Wells Fargo
c/o Patrick B. Gilmore, Esq.
Atkinson Conway & Gagnon
420 L Street, Ste 500
Anchorage, AK 99501

Wings Airline Services, Inc.
Attn: Robert Jacobsen
845 GoldBelt Ave
Juneau, AK 99801

Special Notice:

Brandy A. Sargent
STOEL RIVES LLP
900 SW 5th Ave Ste 2600
Portland OR 97204

Michael J. Edelman
VEDDER PRICE
1633 Broadway
47th Floor
New York, New York 10019

Franklin C. Adams
POB 1025
Riverside, CA 92502-1028

Mark J. Wolfson
100 N Tampa St #2700
Tampa, FL 33602

Tulare County Tax Collector
Attn Jorge Garcia Deputy
Tax Collector
221 S Mooney Blvd Rm 104-E
Visalia, CA 93291-4593

Governmental Creditors:

USDA- Financial Mgmt Div
Minneapolis Financial Svcs Branch
100 North Sixth St
5th Floor, Suite 510C
Minneapolis, MN 55403-0000

Secretaria de Hacienda y Credito
Publico
Av. Hidalgo 77
Col. Guerrero Mexico 06300
MEXICO

San Diego County Treasurer
Tax Collector
P.O. Box 129009
San Diego, CA 95119-0000

Platte County Tax
415 Third St. Room 212
Platte City, CA 92563-0000

Municipality of Skagway
PO Box 415
Skagway, AK 99840-0000

Kansas Department of Revenue
915 SW Harrison St
Topeka, KS 66612-0000

Haines Borough
P.O. Box 1209
Haines, AK 99827-0000

Garland County Tax Collector
Attn: Rebecca Dodd-Talbert
200 Woodbine Rm 108
Hot Springs National Park, AR 71901

Dallas County Tax Office
PO Box 139066
Dallas, TX 75313-0000

City of Hoonah
P.O. Box 360
Hoonah, AK 99829-0000

City of Gustavis
PO Box 1209
Gustavus, AK 99826-0001

City & Borough of Juneau
155 S Seward St.
Juneau, AK 99801-0000

In re SeaPort Airlines, Inc.;
Chapter 11 Bankruptcy Case No. 16-30406-rld11
Service List

Canada Revenue Agency
- Other Levies Div
Summerside Tax Centre
275 Pope Rd Suite 101
Summerside, PE C1N 6E7
CANADA

Canada Revenue Agency
Customs & Excise
Revenue Canada
K1A 0L5 Canada
CANADA

California Franchise Tax Board
Franchise Tax Board
Bankruptcy Section, MS: A-340
PO Box 2952
Sacramento, CA 95812-2952

ODR
ATTN: Bankruptcy Unit
955 Center St NE
Salem, OR 97301-0000

Sub Directo de Control de
Ingresos por D
Instituto Nacional de Micgracion Homero
1832, piso 8, Col. Los
Morales - Polanco Mexico 11510
MEXICO

State of Arkansas
PO Box 896, Room 2340
Little Rock, AR 72203-0000

Electronic Mail:

The foregoing was served on all
CM/ECF participants through the Court's
Case Management/ Electronic Case File
system.